

Links to More Brownfield Redevelopment Information

To learn more about DEQ brownfield redevelopment programs, including brownfield work plan reviews, grant and loan programs, state funded cleanups, the site assessment program, and successful brownfield redevelopment projects, go to the DEQ Web page: www.michigan.gov/deq (select Environmental Services, Land, Land Redevelopment); or www.michigan.gov/deqbrownfields

Other state and federal Web sites:

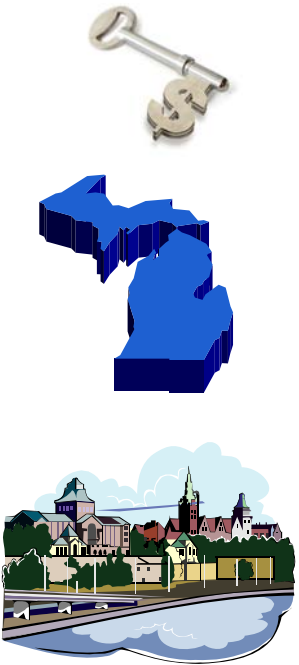
- DEQ Green Construction and Demolition www.michigan.gov/deq (select Pollution Prevention, Outreach, Green Construction, and Demolition)
- DNR- Natural Resources Trust Fund Grants – www.michigan.gov/dnr (select Natural Resources, Inside the DNR, Grants)
- Michigan Economic Development Corporation (MEDC) Brownfield Program www.themedc.org/brownfields
- Michigan Department of Treasury – Michigan Land Bank Fast Track Authority www.michigan.gov/treasury (select Michigan Land Bank)
- Michigan Department of Transportation (MDOT) – Michigan Transportation Enhancement Program – www.michigan.gov/mdot (select Projects & Programs, Grant Programs)
- Michigan State University Land Policy Institute – www.landpolicy.msu.edu
- U.S. Environmental Protection Agency/Brownfields www.epa.gov/brownfields
- U.S. Environmental Protection Agency Sustainable Remediation of Brownfields www.epa.gov/brownfields/sustain.htm
- U.S. Environmental Protection Agency Brownfields Tax Incentive www.epa.gov/brownfields/tax/index.htm



Michigan Department of Environmental
Quality www.michigan.gov/deq

1-800-662-9278
For reporting pollution emergencies only:
1-800-292-4706

Brownfield Redevelopment FINANCIAL INCENTIVES in Michigan



Department of Environmental Quality
Remediation Division
www.michigan.gov/deq
517-373-9837

Rick Snyder, Governor / Dan Wyant, Director

Financial Incentives	Brownfield Redevelopment Grants and Loans	Brownfield Site Assessments
WHAT IS IT?	Brownfield Redevelopment Grants and Loans of up to \$1 million each are available to investigate and remediate suspected or known sites of environmental contamination for redevelopment.	An environmental site assessment (ESA) comparable to a Phase I/II ESA conducted on a potential or known brownfield property that has potential for redevelopment.
HOW DOES IT WORK?	<p>A potential applicant may contact the Michigan Department of Environmental Quality (DEQ) for a pre-determination of project eligibility. An applicant with an eligible project submits an application to the DEQ to request funding for environmental activities required to redevelop the property. Low-interest loans may be awarded for projects where there is redevelopment potential, but no identified developer. Grants can only be used for projects with an identified developer and without a liable party. Since grant funds are extremely limited, most projects are funded with a combination of grant and loan funds.</p> <p>Applications are accepted year-round. DEQ review is typically 90 days. Applicants may receive funding for only one project per year. Response activities are expected to be completed within two years.</p>	<p>Potential properties are identified by a local unit of government or other governmental agency who then submits an application to the DEQ Remediation Division. The application is reviewed to determine if the property qualifies. If approved, the candidate properties are prioritized for assessment. The assessment includes a historical record search, environmental sampling including soil, groundwater, surface water or sediments, as appropriate, followed by a report of the findings. Timeframe for the assessment and reporting is about five months.</p> <p>Applications are accepted year-round; however, there are a limited number available annually.</p>
WHO IS ELIGIBLE?	Any county, city, township, or village; Brownfield Redevelopment Authority; or another entity established pursuant to state law, such as a Downtown Development Authority, may receive grant or loan funding. Projects must have the support of the local governing body, including commitment of full faith and credit for loans.	Brownfield properties with perceived or known contamination and redevelopment potential are eligible, with some exceptions. A potential applicant may contact the Remediation Division to discuss project eligibility.
WHAT ARE THE INCENTIVES?	Grants pay for 100% of eligible costs. Loans carry very low-interest rates, and the first five years are interest-free and payment-free. The loan must be repaid within 15 years, and borrowers may repay loans with tax increments captured through a Brownfield Redevelopment Authority. Grant and loan approvals are generally made within 90 days to meet redevelopment timelines.	The assessment is at no cost to the applicant. The information may be used to assist in completing a Baseline Environmental Assessment and in marketing the property for redevelopment. Tax reverted properties are ideal candidates.
WHO SHOULD I CONTACT?	DEQ Remediation Division 517-373-9540 www.michigan.gov/deqbrownfields (Select Brownfield Grants and Loans)	DEQ Remediation Division 517-335-2151 www.michigan.gov/deq (Select Land, then Land Redevelopment, then Site Assessments and Community Assistance)

Financial Incentives	Brownfield Redevelopment Authority and Brownfield Plan	Brownfield Tax Increment Financing (TIF)	Brownfield Michigan Business Tax (MBT) Credit
WHAT IS IT?	<p>A Brownfield Redevelopment Authority, under Public Act 381 of 1996, as amended, is an agency of a local unit of government created to develop and implement brownfield plans.</p> <p>A brownfield plan must be approved by the local unit of government.</p>	<p>Capture of increased local and school property tax revenues on eligible property by a Brownfield Redevelopment Authority to pay for the costs of the following eligible activities:</p> <ol style="list-style-type: none">1. Environmental response, demolition, and lead or asbestos abatement <u>statewide</u>, plus2. Infrastructure improvements and site preparation in <u>qualified local governmental units</u>.	<p>Qualified Taxpayers that invest and redevelop eligible brownfield properties may apply for up to a 12.5% Brownfield Michigan Business Tax (MBT) Credit (20% for Urban Development Area Projects (UDAP)) against their MBT liability on eligible investment (demolition of buildings; site improvement; new construction; restoration, alteration, renovation and improvement of buildings; addition of machinery, equipment and fixtures) created in Michigan. For those qualified taxpayers that do not have enough MBT liability to use a credit, there are options to either assign the credit to a third party with the MEDC's approval, sell the credits in the open market, or apply for a refund at the rate of 85% through the Department of Treasury.</p>
HOW DOES IT WORK?	<p>A Brownfield Redevelopment Authority may adopt a brownfield plan to provide the following tax incentives for the redevelopment of an eligible brownfield property:</p> <ol style="list-style-type: none">1. Tax increment financing to reimburse parties for the costs of eligible activities.2. Eligibility to apply for the Michigan Business Tax (MBT) brownfield credit for qualified taxpayers for their eligible investments. <p>A Brownfield Redevelopment Authority may also establish a local site remediation revolving fund through capture of excess tax increment revenues for up to five years to conduct eligible activities on other eligible properties.</p> <p>Bonds can be issued and repaid with tax increment revenues.</p>	<p>Tax increment revenues are generated by investment in, and redevelopment of, eligible property that includes contaminated, blighted or functionally obsolete property. The eligible property must be approved in a brownfield plan.</p> <p>Eligible activities are conducted on the property as part of the redevelopment project. As the property value increases, the captured tax increment revenues are used to reimburse the eligible costs. If captured school taxes will be used to pay for certain environmental response activities or all of the non-environmental activities, prior approval of a work plan by the DEQ/MEDC is necessary.</p>	<p>Eligible property for the Brownfield MBT Credit includes:</p> <ol style="list-style-type: none">1. Property in a qualified local governmental unit (QLGU) that is a facility, blighted, or functionally obsolete, including adjacent or contiguous parcels.2. Property <u>not</u> in a QLGU that is a facility, including adjacent or contiguous parcels.3. Tax-reverted property owned or under the control of a land bank fast track authority. <p>UDAP include projects on eligible property located in a downtown or traditional central business district of a QLGU or county seat, or along a traditional commercial corridor of a QLGU or a county seat, as determined by the Michigan Economic Growth Authority (MEGA). UDAP's include the following characteristics: multi-story, which increase density; mixed-use and walkable communities; sustainable and green redevelopment; and/or addresses area-wide redevelopment with multiple parcel redevelopments or underserved markets of commerce.</p> <p>Following approval of the property in a brownfield plan a Brownfield MBT Credit Application (Part I) is submitted to the Michigan Economic Development Corporation (MEDC). If the project has merit, an invitation to submit a complete application (Part I and II) is provided. If approved, a Pre-Approval Letter is issued. Eligible investment can be made prior to the issuance of a Pre-Approval Letter as long as the eligible investment is made after brownfield plan approval and no earlier than 90 days prior to the Pre-Approval Letter date. The Brownfield MBT Credit may not be claimed until issuance of a Certification of Completion for the project.</p>
WHO IS ELIGIBLE?	<p>Any local unit of government (city, village, township or county) may establish a Brownfield Redevelopment Authority.</p>	<p>Anyone who incurs eligible costs under an approved brownfield plan is entitled to reimbursement with tax increment revenues captured by a Brownfield Redevelopment Authority.</p>	<p>A qualified taxpayer (property owner, lessee, or party entered into an agreement to purchase or lease eligible property) may claim a Brownfield MBT Credit for the following eligible investment <u>hard</u> costs on eligible property: demolition of buildings; site improvement; new construction; restoration, alteration, renovation and improvement of buildings; addition of machinery equipment and fixtures.</p>
WHAT ARE THE BENEFITS?	<p>To communities: Improve environmental conditions, redevelop idled property, address unsafe conditions, revitalize downtowns, enhance tax base and employment, joint taxing jurisdiction participation, and conserve greenspace.</p> <p>To developers: Payment or reimbursement of costs of eligible activities and the MBT credit to level the playing field between brownfields and greenspace.</p>	<p>With dwindling state resources, a Brownfield Redevelopment Authority provides a unique opportunity at the local level to address brownfield properties of concern in their community. Utilization of tax revenues that are generated by the redevelopment minimizes impact to the taxing jurisdictions. Ultimately, all taxing jurisdictions receive increased tax revenues that may have never been realized without this incentive.</p>	<p>The Brownfield MBT Credit provides a significant financial incentive for developers and investors of eligible property and can be combined with the brownfield tax increment financing incentive.</p> <p>NOTE: Projects must be completed within five years of the issuance of the Pre-Approval Letter, or ten years if a multi-phase project. Brownfield MBT Credits cannot be approved for parties who have been sued or issued a unilateral administrative order by the DEQ.</p>
WHO SHOULD I CONTACT?	<p>Environmental DEQ Remediation Division; 517-373-4805 www.michigan.gov/brownfieldauthority</p> <p>Non-environmental Michigan Economic Development Corporation (MEDC) Brownfield Program www.themedc.org/brownfields</p>	<p>Environmental DEQ Remediation Division; 517-373-4805 www.michigan.gov/brownfieldauthority</p> <p>Non-environmental Michigan Economic Development Corporation (MEDC) Brownfield Program www.themedc.org/brownfields</p>	<p>Michigan Economic Development Corporation (MEDC) Brownfield Program www.themedc.org/brownfields</p>